



**TRI-STATE G&T**  
A Touchstone Energy® Cooperative

**Fiduciary Duties of  
Cooperative Directors**

*Director Orientation  
December 2013*

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## “Dual Directors”



- When serving on the Board of a distribution cooperative, the Director's fiduciary duties are to the distribution cooperative.
- When serving on the Board of a G&T, the Director's fiduciary duties are to the G&T AND to the distribution cooperative.
- The Board of Directors of a G&T is not a representative democracy where each Director's responsibility is to represent the interests of his or her distribution cooperative.
- The G&T Director must discharge his or her fiduciary duties in the best interests of the G&T; however, the Director still owes duties to his or her distribution cooperative.
- At times, this may result in the Director taking differing positions on each Board based upon his or her good faith beliefs and the discharge of his or her fiduciary duties.
- The Dual Director must manage his or her participation on both Boards and his or her actions so as to preserve his or her ability to discharge the duties separately owed to each entity.
- A Dual Director who cannot in good faith discharge his or her fiduciary duties to both the distribution cooperative and the G&T must decide whether it is necessary to recuse himself or herself from certain Board actions or resign from one or both Boards.